VZCZCXRO8083
RR RUEHAG RUEHDA RUEHDF RUEHFL RUEHIK RUEHKW RUEHLA RUEHLN RUEHLZ RUEHROV RUEHSR RUEHVK RUEHYG
DE RUEHUP #0658/01 0900540
ZNR UUUUU ZZH

ZNR UUUUU ZZH R 310540Z MAR 06 FM AMEMBASSY BUDAPEST TO RUEHC/SECSTATE WASHDC 8869

INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE

UNCLAS SECTION 01 OF 04 BUDAPEST 000658

STPDTS

SENSITIVE SIPDIS

STATE PASS EUR/NCE MICHELLE LABONTE

E.O. 12958: N/A

TAGS: KDEM PGOV PREL SOCI MARR HU

SUBJECT: HUNGARY'S ELECTIONS: DISPATCH FROM PECS

(C-RE6-00145)

REF: SECSTATE 22644

Summary

11. (U) This cable continues Embassy's pre-election coverage from the provinces in the run-up to the April contest. On a March 28-29 trip to the southwestern town of Pecs, Baranya County, local contacts described the city's electorate as inured to partisan politics and somewhat anxious about bread-and-butter issues such as job security and wages. With the election less than two weeks away, Emboffs visited this medium-sized city of 164,000 to meet with a range of local figures, including a business leader, the local MSZP party chief, a high-school principal, two FIDESZ representives, and a clergyman.

Background

12. (U) Baranya County is located west of the Danube in southwest Hungary of Zala County, bordered by Somogy, Tolna and Bacs-Kiskun Counties, as well as by Croatia to the south. The first individual constituency in Baranya's county seat of Pecs is one of 26 nationwide that has elected an MP from the party winning nationwide in every election since 1990. Two prominent MSZP figures were elected from Pecs in 2002: Parliament Speaker Katalin Szili and Pecs Mayor Laszlo Toller. Szili won her seat with 50,89 percent, against her FIDESZ-MDF rival's 33.63 percent; with 55.34 percent, Toller trounced FIDESZ rival Attila Koromi, who entered Parliament regardless on a FIDESZ party-list seat. (However, in April 2004, Koromi left FIDESZ for the far-right Jobbik movement.) President Laszlo Solyom also hails from Pecs, having graduated from the Istvan Szechenyi Gymnasium, which Emboffs

13. (U) Of Hungary's 8.1 million currently-registered voters, 145,406 live in Pecs's three individual constituencies and a total of 324,058 live in all of Baranya County (2006 figure). Turnout in 2002's first round was 71.82 percent, slightly higher than the national average of 70.5 percent. Baranya County will have 13 races: six party-list constituencies and seven individual constituencies (three in Pecs, plus Komlo, Mohacs, Siklos and Szigetvar). Of Baranya County's 13 parliamentary seats, MSZP holds seven, FIDESZ five, and MDF one. (Note: In Hungary's election system, parliamentary candidates may run head-to-head against each other in individual constituencies; run on a party's county list, or on a party's national list. Together, the 176 individual constituencies, the 152 county party-list constituencies and the 58 national party-list slots return 386 members to

Parliament.) Average monthly wages for Baranya County's blue- and white-collar workers are HUF 90,001 (USD 419) and HUF 177,600 (USD 826), respectively; those figures do not include unreported income. The county's unemployment rate is 4.28 percent (October 2005 figure), significantly lower than both the national and regional rates.

What Matters in Pecs

14. (SBU) Pecs is an MSZP town, and the trench warfare of Budapest's partisan politics does not define political life here. For example, the parties could all attend the same national-day (March 15) celebrations in Pecs this year, which was not true in Budapest. Relations between political opponents are often cordial: former mayor and current long-shot FIDESZ-KDNP candidate for Pecs's first district, Dr. Zsolt Pava, told Poloffs he had known his SZDSZ opponent for 28 years, having gone to school with him. (Note: national level, KDNP party president Zsolt Semjen is virulent in his attacks on the liberal SZDSZ.) On the substantive front, Pava identified local matters, rather than national or international issues, as what would decide the election in his district. In practice, that will mean development and infrastructure: Pava listed a longstanding flooding problem in certain neighborhoods, and the "medieval"-quality housing of an 800-strong Roma community on the edge of the district. Local journalist for state-run Hungarian Television (MTV) Judit Klein confirmed to Poloffs that local issues were key to the electorate in Pecs, citing the high readership of the local newspaper -- even while lamenting the little programming time available in her own medium for the same issues. However, several contacts, including Klein, characterized the local electorate as largely indifferent to

BUDAPEST 00000658 002 OF 004

politics.

15. (SBU) The proposal to mount a NATO radar installation on Mt. Tubes, on the edge of the city, had some residents worried about becoming a "magnet" for a future military attack -- but, said Pava, no lobby had coalesced around the issue, as had happened with Zengo. (Note: After much delay, punctuated by spirited protests by a FIDESZ-friendly environmental group and supportive gestures by President Solyom, the GOH ended plans to place a radar station on Mt. Zengo. Pecs residents recall Croatia's shelling of settlements on its side of the nearby border during the Yugoslav wars.)

## Developmental Issues

16. (U) The seams of coal and traces of low-grade, uranium-laced sand that once fed Pecs's mining industry have been depleted, and the mines were closed in the early 1990s. (Along the way, one of Pecs's suburbs was proudly named "Uranium Town" (Uranvaros).) Only in 1998 did Pecs manage to attract a significant foreign investor in the Finnish cellular-telephone manufacturer Elcoteq, which now employs some 2,000 workers, according to Pava, who proudly displayed his own mobile phone with locally-produced components. The Istvan Szechenyi Gymnasium and Technical School has developed a telecommunications program. After HUF 5 billion (USD 22.7 million) in upgrades, a new airport with a 1,500-meter-long runway opened in March, with twice-weekly flights to Vienna and a Milan connection expected shortly. All our contacts expressed hope that the airport would attract investors and tourists alike. The title of Europe's Cultural Capital for 2010 may also prove to be a plus. Post also supports an  $\,$ American Corner in Pecs, and several contacts described positive experiences with it.

 $\P$ 7. (SBU) Nonetheless, the city's development is hampered by

the lack of a highway connection to Budapest or other European destinations. MSZP's 2002 program promised the extension of the M6 highway past Dunaujvaros to Pecs, but through subsequent modifications, the project was all but abandoned. SZDSZ Deputy Mayor Istvan Horvath suggested it was merely "a political matter" decided in Budapest, and that Mayor Toller was not at fault that the highway was not built. Another contact suggested that the highway could offer only limited returns, given that it would lead to the Croatian region of Slavonia, which suffers more severely from underdevelopment. Two recent, major public-works projects have faced setbacks: fiscal responsibility for the new cardiac center was dumped on the university, which lacked the resources to cover the facility's debt; and the roof of a new expo center caved in, leading to recriminations and an ongoing investigation. The Szechenyi high school's training programs include automotive electronics, yet Pecs lacks an auto plant (conceivably, graduates could seek work in Gyor, where Volkswagen has a plant). Against this backdrop, graduates from Pecs's university and secondary-education facilities cannot all find work locally (one recently-advertised job for a lawyer attracted 80 applicants), and the town's population is slipping. (Note: As one contact pointed out, broader demographic trends are also diminishing Hungary's overall population.)

Church a Factor, But Not A Decisive One

18. (SBU) Local journalist Judit Klein told Emboffs that the Church's affinity for the right was clear. She used to attend the Catholic church in her parish, she said, but was put off by the priest's officious admonitions on whom to vote for. The Church has an especially strong position in Baranya County, however: according to Pava, himself a member of the Church, it is "90 percent" Catholic. Yet only about 20 percent of locals attend mass regularly, he added, and any role that the local prelate and priesthood might play in the elections was therefore necessarily limited. Pava did suggest, however, that the local Catholic Church had somewhat overstepped its bounds in the 2002 campaign, and was likely to keep a lower profile this time. Father Balazs Garadnay of the local bishop's office eschewed the sort of overt politicking seen in at least one Gyor congregation, where "Bless Viktor Orban" flyers were distributed. Garadnay suggested that it was rather the political class that led passive locals by the nose (he pulled his nose forward to illustrate), as was the case under the former regime, he said. He described the Church's smooth relations with local

BUDAPEST 00000658 003 OF 004

government, regardless of which party is in power. (Comment: Indeed, there is little potential for conflict, since state support for church-administered public services comes from the national budget. That said, Pecs officials appear to grant permits for Catholic Church events willingly.)

Minority Report

19. (SBU) The "Swabian" (ethnic-German) community in the county's south is especially close to the Church, confirmed Father Garadnay, but ethnicity is not a fault line in Baranya County, he said. The father mentioned one local congregation where mass takes place in three languages: Hungarian, German and Romani. Klein told Poloffs that she found a strong sense of cohesion within the ethnic-German community, of which she herself is a member, and that the Germans were well-represented in the economy's more modern sectors, including service industries. Pava also expressed admiration for the county's Germans for their industry and their adaptability; unemployment is not an issue among the Germans in southern Baranya, said Pava.

110. (SBU) Baranya County's Roma are less well-off, and there are pockets of endemic, near-total unemployment in certain settlements. As elsewhere, equal access to housing and education remain problems for local Roma. (Note: At the same time, Pecs is home to the Gandhi High School, which sets out to level the playing field for young Roma.) Politically, however, the same Roma have shown true mettle. The Forum of Hungarian Gypsy Organizations, a national Roma-based political party led by Orban Kolompar, has candidates on the ballot in six of the county's seven individual constituencies. According to journalist Klein, none of the other parties openly courts Roma for fear of alienating non-Roma. She dismissed the Roma currently serving in Parliament as token figures, ineffective at serving their community's interests and exploited as symbols by the major parties. For all that, said Klein, Roma do go to the ballot box, and they are both "deliberate and strong."

Doyenne and Dweeb: MSZP's Big Guns

111. (SBU) All of Pecs's three districts appear set to fall to MSZP, and the party is running national figures in two of them. Speaker Katalin Szili, currently at the top of national popularity polls, was elected to the legislature in 1994, 1998 and 2002 from Pecs's second district, where she is now running again. Hers is a safe seat ("they love her," said local journalist Judit Klein), in spite of how rarely she can be found in her home district. Stories in sympathetic news outlets cite the press of national business. Szili's local popularity appears to less policy-based than personal, perhaps as a favorite-daughter figure.

¶12. (SBU) Pecs Mayor and MP Laszlo Toller (MSZP), running for reelection to Parliament from the town's third district, has some national recognition. He supported Gyurcsany during the party's September 2004 search for a new PM. In the 2002 mayoral race, he won handily with 68 percent of the vote, against 23 percent for his FIDESZ opponent. Moreover, Toller was selected Mayor of the Year this month by the mayors of towns with the status of counties, although that honorific reflects small-group politics rather than true popularity. Recent monthly polls by local, Pecs-based news daily Dunantuli Naplo found his personal popularity to be comparable to that of four other contenders for his job. Speaking with Poloffs, Klein dismissed Toller as an unprepossessing figure who lacks the gift of gab, his popularity stemming mainly from his affiliation with MSZP -- and Pecs's status as a "traditional" MSZP stronghold. Whatever the case, Toller is a well-established incumbent, having won his parliamentary seat in 1994, 1998 and 2002. (Note: In the 1998-2002 term, Toller doubled as MSZP deputy caucus leader, although in this term he holds no title of note in the legislature.)

Comment

¶13. (SBU) As elsewhere in Hungary's provinces, local issues will predominate in Baranya County in April. Politically, the county is divided between the MSZP stronghold of Pecs and the outlying regions, where ur-communists and far-right candidates appear on district ballots. With a discrete

BUDAPEST 00000658 004 OF 004

German minority and concentrations of Roma, Baranya County is also more diverse than most of Hungary, and -- promisingly -- the two major minorities both participate vigorously. Speaker Katalin Szili and MP Laszlo Toller appear virtually uncontested, despite efforts by the local FIDESZ chapter to reinvigorate itself. MSZP thus appears poised to win all three Pecs districts, although the outlying districts will present more of a challenge.

114. (U) Visit U.S. Embassy Budapest's classified website: www.state.sgov.gov/p/eur/budapest/index.cfm REEKER